

KINGMAN AIRPORT AUTHORITY, INC.

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 1997

FINANCIAL SECTION

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
Kingman Airport Authority, Inc.

We have audited the accompanying general-purpose financial statements of the Kingman Airport Authority, Inc. (Authority), as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Kingman Airport Authority, Inc. as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 15, 1997 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Cronstrom & Trbovich, P.C.

Cronstrom & Trbovich, P.C.

September 15, 1997

General-Purpose Financial Statements

	Proprietary Fund Type
	Enterprise
Assets	
Cash and investments	\$ 115,159
Accounts receivable	3,372
Deposits	918
Fixed assets (net of accumulated depreciation)	5,962,317
Intangible assets (net of accumulated amortization)	<u>45,270</u>
Total Assets	\$ <u>6,127,036</u>
Liabilities and Fund Equity	
Liabilities	
Accounts payable	\$ 5,537
Intergovernmental payable	<u>25,000</u>
Total Liabilities	<u>30,537</u>
Fund Equity	
Contributed capital	6,057,821
Retained earnings	
Unreserved	<u>38,678</u>
Total Fund Equity	<u>6,096,499</u>
Total Liabilities and Fund Equity	\$ <u>6,127,036</u>

The accompanying notes to financial statements are an integral part of this statement.

YEAR ENDED JUNE 30, 1997

	Enterprise
Operating revenues	
Leases	\$ 317,661
Total operating revenues	<u>317,661</u>
Operating expenses	
Personnel	260,937
Payroll taxes and benefits	73,881
Office expense	11,946
Professional services	11,591
Maintenance and repairs	12,462
Motor pool	6,964
Operation expense	111,727
Depreciation	293,468
Amortization	<u>4,387</u>
Total operating expenses	<u>787,363</u>
Operating income (loss)	<u>(469,702)</u>
Nonoperating revenues (expenses)	
Contributions and donations	120,443
Interest revenue	8,263
Application fees	5,750
Land sales	87,400
Miscellaneous revenues	12,852
Interest expense	(6,634)
Contingencies	<u>(2,431)</u>
Total nonoperating revenues (expenses)	<u>225,643</u>
Net income (loss)	(244,059)
Retained earnings, beginning of year	<u>282,737</u>
Retained earnings, end of year	<u>\$ 38,678</u>

The accompanying notes to financial statements are an integral part of this statement.

ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1997

	Enterprise		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Leases	\$ 272,190	\$ 317,661	\$ 45,471
Intergovernmental	-	926,887	926,887
Contributions and donations	84,060	120,443	36,383
Interest revenue	5,000	8,263	3,263
Application fees	7,500	5,750	(1,750)
Land sales	374,000	87,400	(286,600)
Miscellaneous revenues	<u>1,000</u>	<u>12,852</u>	<u>11,852</u>
Total revenues	<u>743,750</u>	<u>1,479,256</u>	<u>735,506</u>
Operating expenses			
Personnel	268,745	260,937	7,808
Payroll taxes and benefits	76,038	73,881	2,157
Office expense	14,900	11,946	2,954
Professional services	22,500	11,591	10,909
Maintenance and repairs	25,500	12,462	13,038
Motor pool	10,000	6,964	3,036
Operation expense	130,170	111,727	18,443
Debt service	201,092	196,355	4,737
Capital outlay	260,500	1,062,784	(802,284)
Contingencies	<u>-</u>	<u>2,431</u>	<u>(2,431)</u>
Total operating expenses	<u>1,009,445</u>	<u>1,751,078</u>	<u>(741,633)</u>
Excess (deficiency) of revenues over expenses	\$ <u>(265,695)</u>	\$ <u>(271,822)</u>	\$ <u>(6,127)</u>

The accompanying notes to financial statements are an integral part of this statement.

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities	
Cash received from customers	\$ 342,832
Cash payments to employees for services	(260,937)
Cash payments to suppliers for goods/services	(210,300)
Land sales	87,400
Other nonoperating revenues	139,045
Contingency expense	(2,431)
Net cash provided (used) by operating activities	<u>95,609</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(1,425,924)
Principal paid on notes payable	(189,721)
Interest paid on notes payable	(6,634)
Capital grants received	<u>1,258,877</u>
Net cash provided (used) for capital and related financing activities	<u>(363,402)</u>
Cash flows from investing activities	
Interest	<u>8,263</u>
Net cash provided by investing activities	<u>8,263</u>
Net increase (decrease) in cash and cash equivalents	(259,530)
Cash and cash equivalents at beginning of year	<u>374,689</u>
Cash and cash equivalents at end of year	\$ <u>115,159</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ (469,702)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	297,855
Land sales	87,400
Other nonoperating revenues	139,045
Contingency expense	(2,431)
(Increase) decrease in operating assets	
Accounts receivable	25,171
Prepaid expenses	12,734
Increase (decrease) in operating liabilities	
Accounts payable	<u>5,537</u>
Net cash provided (used) by operating activities	\$ <u>95,609</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kingman Airport Authority, Inc. was incorporated in the State of Arizona in July 1992, as a nonprofit corporation. The Authority operates, maintains, and manages the Kingman Airport and Industrial Park for the City of Kingman. The Authority is administered by the board of directors who are elected by the membership of the Authority.

The Kingman Airport Authority, Inc. was formed by transferring the assets and liabilities of the Mohave County Airport Authority, Inc., which related to the Kingman Airport and Industrial Park, to the Kingman Airport Authority, Inc. The Authority leases the real property, on which the airport and industrial park is located, from the City of Kingman under a long term lease. Primary sources of funding for the authority are rents from subleasing real property, proceeds from the sale of real property located in the Kingman Airport Industrial Park, and grants from other governmental units. Functions financed by the Authority include management, maintenance, and development of the Kingman Airport and the Kingman Airport Industrial Park. The Authority is considered to be a political subdivision of the State of Arizona, Mohave County and the City of Kingman with the responsibility of carrying out the function of airport management.

The financial statements of the Kingman Airport Authority, Inc. (Authority) conform to generally accepted accounting principles as applicable to governmental units. The more significant of the Authority's accounting policies are described below.

Reporting Entity - In evaluating how to define the Authority, for financial reporting purposes, management has identified no potential component units. The decision to include a potential component unit in the reporting entity would have been made by applying criteria set forth in generally accepted accounting principles. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e., the Authority) are financially accountable. The primary government is financially accountable for a potential component unit if it: appoints a voting majority of the potential component unit's governing body; and, either is able to impose its will on the potential component unit or there is a possibility of the potential component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. In addition, a primary government may be financially accountable for a potential component unit even though the potential component unit may have a separately elected governing board, a board appointed by another government, or a jointly appointed board if the potential component unit is fiscally dependent on the primary government (e.g., the primary government must approve the potential component unit's budget, tax rates, etc.). Because no potential component units were identified in defining the Authority's reporting entity, none have been included in the Authority's reporting entity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Accounting - The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad categories as follows:

Proprietary Fund

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with the activity are included on their balance sheets. The measurement focus is upon the determination of net income, financial position and changes in financial position.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Proprietary Funds are accounted for using the accrual basis of accounting. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989, unless they conflict with GASB pronouncements. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Interest on bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

Budgetary Accounting - The Authority adopts an annual nonappropriated budget as a management control device. The budget is prepared on the modified accrual basis, which is a different basis of accounting than is used to present the financial statements. (See note 9 for reconciliation.)

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash; and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investment with original maturities of three months or less meet this definition.

Property, Plant and Equipment - Property, plant and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies. Property, plant and equipment is recorded at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation of property, plant and equipment is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest capitalized was calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

NOTE 2 - CASH AND INVESTMENTS

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool.

The Authority's deposits as of June 30, 1997, were entirely insured or collateralized with securities held by the Authority's custodial bank in the Authority's name.

The Authority's investments consisted of amounts deposited in interest bearing bank accounts.

NOTE 3 - PROPRIETARY FUND FIXED ASSETS

The following is a summary of proprietary fund fixed assets at June 30, 1997:

Land and improvements	
Airport	\$ 5,199,261
Industrial park	1,849,079
Buildings and improvements	
Airport	684,385
Industrial park	106,197
Furniture, machinery and equipment	147,617
Less: accumulated depreciation	<u>(2,024,222)</u>
Net fixed assets	<u>\$ 5,962,317</u>

The following estimated useful lives are used to compute depreciation:

Land and improvements	10-30 years
Buildings and improvements	7-30 years
Furniture, machinery and equipment	3-8 years

NOTE 4 - INTANGIBLE ASSETS

The following is a summary of intangible assets recorded in the Enterprise Fund which consist of site plans and a promotional video and are being amortized over periods from 7 to 15 years on a straight-line basis:

Intangible assets	\$ 76,734
Less: accumulated amortization	<u>(31,464)</u>
Net intangible assets	<u>\$ 45,270</u>

NOTE 5 - LINE OF CREDIT PAYABLE

The Authority has a line of credit with a local financial institution to provide short-term cash flow up to \$150,000. There was no balance outstanding at June 30, 1997.

NOTE 6 - NOTES PAYABLE

Notes payable at June 30, 1997, consisted of the notes presented below. Principal and interest requirements at June 30, 1997, were as follows:

<u>Description</u>	<u>Interest Rates(%)</u>	<u>Maturity</u>	<u>Outstanding Principal July 1, 1996</u>	<u>Issues/ (Retirements)</u>	<u>Outstanding Principal June 30, 1997</u>
Goodyear/ Airtreads	8.0	7/15/96	\$ 14,500	\$ (14,500)	\$ -0-
ADOT	6.49	1/31/97	<u>175,221</u>	<u>(175,221)</u>	<u>-0-</u>
Total notes payable			<u>\$ 189,721</u>	<u>\$ (189,721)</u>	<u>\$ -0-</u>

NOTE 7 - CONTRIBUTED CAPITAL

Contributed capital increased by the following amounts:

Capital grants received	\$ 926,887
Contributed capital, July 1, 1996	<u>5,130,934</u>
	<u>\$ 6,057,821</u>

NOTE 8 - LEASE REVENUES

As discussed in Note 1, the Authority subleases, under operating leases, certain property and improvements.

The operating leases have varying terms ranging from a month-to-month basis to twenty-five years. Most leases extending over a one year period contain a rent adjustment based on the consumer price index. Some leases contain an option to renew for a similar term.

Minimum future rental to be received on non-cancelable leases as of June 30, 1997, for each of the next five years and in the aggregate are:

Year ended June 30,

1998	\$ 173,368
1999	25,250
2000	16,825
2001	14,700
2002	14,700
Thereafter	<u>131,383</u>
Total minimum future rentals	<u>\$ 376,226</u>

NOTE 9 - BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the Enterprise Fund was prepared on the modified accrual basis. Consequently, the following adjustments are necessary to reconcile budgetary to GAAP basis.

	<u>Enterprise Fund</u>	
	<u>Total Operating Revenues</u>	<u>Total Operating Expenses</u>
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	\$ 317,661	\$ 787,363
Nonoperating revenues and expenses	234,708	9,065
Adjustments to present data on the budgetary basis - additions	926,887	1,259,139
subtractions	<u>-0-</u>	<u>(304,489)</u>
Combined Statement of Revenues and Expenses - Budget and Actual - (Budgetary Basis)	<u>\$ 1,479,256</u>	<u>\$ 1,751,078</u>

NOTE 10 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. The Authority is insured by Arizona State Workers Compensation Insurance Fund for potential job-related accidents.

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

All full-time employees of the Authority may participate in a defined contribution pension plan administered by The Principal Financial Group. The payroll for Authority employees covered by this plan for the year ended June 30, 1997, was \$236,917. The Authority's total payroll was \$260,937.

A defined contribution pension plan provides benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits a participant will receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants benefits that may be allocated to such a participants account. All full-time Authority employees must participate in the pension plan from the date they are hired. Contributions made by an employee vest immediately and contributions made by the Authority vest gradually according to the following schedule:

<u>Years of Service</u>	<u>Percentage Vesting</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

An employee that leaves the employment of the Authority is entitled to his or her contributions and the vested portion of the Authority's contributions, plus interest earned. Each employee can contribute up to 6% of his or her gross earnings. The Authority must contribute 6% of covered earnings. During fiscal year 1996-97, the Authority's required and actual contributions amounted to \$14,215. The employees' contributions totaled \$6,950.

No pension provision changes occurred during the year that affected the required contributions to be made by the Authority or its employees.

The Principal Financial Group held no securities of the Authority or other related parties during the fiscal year 1996-97, or at the close of the fiscal year.

NOTE 12 - FAA COMMITMENT FOR FUTURE IMPROVEMENTS

The Authority is obligated by the Federal Aviation Administration to invest an amount equal to the proceeds of land sales at the Kingman Industrial Park in improvements to and operations of the Kingman Airport within five years from the date of the sale. The amount obligated to be spent for airport improvements and operations at June 30, 1997, is \$200,697. The Authority complied with all regulations regarding its sale of land at the Kingman Airport and Industrial Park during the 1996-97 fiscal year.

Changes in the commitment for future improvements during the year ended June 30, 1997, were as follows:

Balance, beginning of year	\$ 440,039
Add: land sales during year	87,400
Deduct: expenses at Kingman Airport	<u>(326,742)</u>
	<u>\$ 200,697</u>

SUPPLEMENTARY SCHEDULE

YEAR ENDED JUNE 30, 1997

	Airport	Industrial Park	Total
Operating revenues			
Leases	\$ <u>249,623</u>	\$ <u>68,038</u>	\$ <u>317,661</u>
Total operating revenues	<u>249,623</u>	<u>68,038</u>	<u>317,661</u>
Operating expenses			
Personnel	112,551	148,386	260,937
Payroll taxes and benefits	39,792	34,089	73,881
Office expense	5,651	6,295	11,946
Professional services	5,127	6,464	11,591
Maintenance and repairs	7,671	4,791	12,462
Motor pool	3,601	3,363	6,964
Operation expense	64,870	46,857	111,727
Depreciation	227,714	65,754	293,468
Amortization	<u>4,116</u>	<u>271</u>	<u>4,387</u>
Total operating expenses	<u>471,093</u>	<u>316,270</u>	<u>787,363</u>
Operating income (loss)	<u>(221,470)</u>	<u>(248,232)</u>	<u>(469,702)</u>
Nonoperating revenues (expenses)			
Contributions and donations	-	120,443	120,443
Interest revenue	2,318	5,945	8,263
Application fees	-	5,750	5,750
Land sales	-	87,400	87,400
Miscellaneous revenues	7,417	5,435	12,852
Interest expense	(6,634)	-	(6,634)
Contingencies	<u>-</u>	<u>(2,431)</u>	<u>(2,431)</u>
Total nonoperating revenues (expenses)	<u>3,101</u>	<u>222,542</u>	<u>225,643</u>
Net income (loss)	\$ <u>(218,369)</u>	\$ <u>(25,690)</u>	\$ <u>(244,059)</u>

SINGLE AUDIT ACT REPORTS SECTION



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Directors of the
Kingman Airport Authority, Inc.

We have audited the financial statements of Kingman Airport Authority, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated September 15, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether Kingman Airport Authority, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered Kingman Airport Authority, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

letter dated September 15, 1997.

This report is intended for the information of the Authority Board, management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Cronstrom & Trbovich, P.C.

Cronstrom & Trbovich, P.C.

September 15, 1997

regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Kingman Airport Authority, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the general-purpose financial statements of Kingman Airport Authority, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated September 15, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Authority Board, management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Cronstrom & Trbovich, P.C.

Cronstrom & Trbovich, P.C.

September 15, 1997

<u>Grantor Agency</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Revenues</u>	<u>Expenditures</u>
U.S. Department of Transportation Airport Improvement Program	20.106	N/A	\$ <u>612,634</u>	\$ <u>612,634</u>
TOTAL FEDERAL AWARDS			\$ <u>612,634</u>	\$ <u>612,634</u>

(1) This schedule was prepared on the modified accrual basis of accounting.

SUMMARY OF AUDITOR'S RESULTS

1. Type of audit report issued on the financial statements: unqualified opinion.
2. No reportable conditions in internal control were disclosed by the audit of the financial statements.
3. The audit disclosed no noncompliance which is material to the financial statements.
4. No reportable conditions in internal control over major programs were disclosed by the audit.
5. Type of audit report issued on compliance for major programs: unqualified opinion.
6. No audit findings were noted that are required to be reported under OMB Circular A-133, §510(a).
7. Major program audited: Airport Improvement Program, CFDA No. 20.106.
8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
9. The auditee did not qualify as a low-risk auditee under OMB Circular A-133, §530.

FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior audit findings.